

“RESOLUTION
of the Supervisory Board of LPP SA
of 27 April 2021

on the evaluation of the Management Board’s report on the operations of the Company’s Group in the financial year 1.02.2020 - 31.01.2021 (comprising the Management Board’s report on the Company’s operations in that financial year) in terms of their compliance with accounting books and documents as well as the actual state of affairs

The Supervisory Board, having reviewed:

- the financial statements of LPP SA for the financial year 1.02.2020 - 31.01.2021,
- the LPP SA Management Board’s report on the operations of the Company’s Group in the financial year 1.02.2020 - 31.01.2021 (incorporating the report on the Company’s operations in the said period),
- information provided the auditing team, being the subject matter of the statutory auditor’s report and opinion on the audit of the Company’s financial statements for the financial year 1.02.2020 - 31.01.2021,
- information provided the auditing team, being the subject matter of the statutory auditor’s report and opinion on the audit of the consolidated financial statements of the Company’s Group for the financial year 1.02.2020 - 31.01.2021,
- the evaluation of the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the Management Board’s report on the operations of the Company’s Group for the financial year 1.02.2020 - 31.01.2021, incorporating the Management Board’s report on the Company’s operations in the said period, is complete, accurate and contains data which exhaustively present the Company’s position.

Furthermore, the Supervisory Board indicates that the Management Board’s report on the operations of the LPP SA Group for 2020/2021 incorporates also the Management Board’s report on the operations of the Company (as parent company). The joint presentation of the two reports is permissible under Article 55 paragraph 2a of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended) and § 71(8) of the Regulation of the Minister of Finance of 19 February 2009 on current and interim information submitted by issuers of securities and on the terms and conditions for recognition as equivalent of information required under the laws of a non-member state (consolidated text: Journal of Laws no 757 of 2018).

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the Management Board’s report on the operations of the Company’s Group and the Company’s operations in the financial year 1.02.2020 - 31.01.2021.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the report of the Management Board on the operation of the Company’s

Group in the financial year 1.02.2020 - 31.01.2021 is complete, accurate and contains data which exhaustively present the Company's position."

“RESOLUTION
of the Supervisory Board of LPP SA
of 27 April 2021
on the evaluation of the Company's financial statements for the financial year 1.02.2020 -
31.01.2021 in terms of their compliance with accounting books and documents as well as
the actual state of affairs

The Supervisory Board, having reviewed:

- the financial statements of LPP SA for the financial year 1.02.2020 - 31.01.2021 ;
- the LPP SA Management Board's report on the operations of the Company's Group in the financial year 1.02.2020 - 31.01.2021 (incorporating the report on the Company's operations in the said period),
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the Company's financial statements for the financial year 1.02.2020 - 31.01.2021,
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the consolidated financial statements of the Company's Group for the financial year 1.02.2020 - 31.01.2021,
- evaluation of the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the Company's financial statements for the financial year 1.02.2020 - 31.01.2021 are complete, accurate and contain data which exhaustively present the Company's position.

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the Company's financial statements for the financial year 1.02.2020 - 31.01.2021.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the Company's financial statements for the financial year 1.02.2020 - 31.01.2021 are complete, accurate and contains data which exhaustively present the Company's position."

**“RESOLUTION
of the Supervisory Board of LPP SA
of 27 April 2021**

**on the evaluation of the consolidated financial statements of the LPP SA Group for the
financial year 1.02.2020 - 31.01.2021 in terms of their compliance with accounting books
and documents as well as the actual state of affairs**

The Supervisory Board, having reviewed:

- the LPP SA Group's consolidated financial statements for the financial year 1.02.2020 - 31.01.2021;
- the LPP SA Management Board's report on the operations of the LPP SA Group in the financial year 1.02.2020 - 31.01.2021;
- information provided the auditing team, being the subject matter of the statutory auditor's report and opinion on the audit of the consolidated financial statements of the Company's Group for the financial year 1.02.2020 - 31.01.2021,
- evaluation of the Audit Committee,

acknowledges that, in the opinion of the Supervisory Board, the consolidated financial statements of the LPP SA Group for the financial year 1.02.2020 - 31.01.2021 are complete, accurate and contain data which exhaustively present the position of the LPP SA Group.

The Supervisory Board recommends that the Annual General Meeting of Shareholders should adopt the resolution approving the consolidated financial statements of the LPP SA Group for the financial year 1.02.2020 - 31.01.2021.

The Supervisory Board gives its standpoint having analysed the documents referred to above and the outcome of works of its Audit Committee and the Board itself. Following performance of the said activities, it may be stated that the Group's consolidated financial statements for the financial year 1.02.2020 - 31.01.2021 are complete, accurate and contains data which exhaustively present the Company's position.”

“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May

on the comprehensive evaluation of the Company's position in the financial year from 1.01.2019 to 31.01.2020, including in particular: (i) evaluation of the financial reporting process, (ii) evaluation of the internal control system, internal audit and risk management system, (iii) evaluation of financial auditing activities, (iv) evaluation of the impartiality of the auditor auditing the financial statements of the Company and the LPP SA Group

The financial year 1.01.2019 to 31.01.2020 was exceptionally difficult for LPP SA and the LPP SA Group. The COVID-19 pandemic caused a crisis that could not have been foreseen, resulting in a sharp decrease in turnover in trading (including the fashion industry). In consequence, LPP SA and other clothing companies focused on minimising the effects of an overall slowdown and trading restrictions in on-site stores.

A key circumstance enabling us to survive 2020 without any major turbulences was substantial funds collected. Therefore, we were able to undertake action to adapt to new market circumstances. As a result, the year 2020/21 was closed with revenue of PLN 7.8 bln. It is clear that revenue was lower by approx. 15% compared to the preceding year. However, having regard of the circumstances and restrictions affecting the trading branch, the said result may be considered reasonable. The triple lockdown was reflected, first of all, in the traditional sales volume (on-site stores) being 31% lower y/y. The Group partially compensated that loss with good results in online sales. Revenue in that channel increased by 106%, generating above PLN 2 bln. Nonetheless, for the first time in its history, the Company's Group closed the financial year 1.02.2020 – 31.01.2021 with a net loss of over PLN 190 mln. EBITDA decreased by over 35% y/y. In 2020/2021, revenue in LFLs (in local currencies) was lower by 38%.

Facing subsequent lockdowns and the overall crisis caused by the pandemic, the Company focused on strengthening e-commerce, strict cost discipline, on implementing logistics improvements and effective stock management. The outcome of those activities was satisfactory.

Despite a challenging market situation, the Company did not hold up its goals adopted in the sustainable development policy “For People For Our Planet”. Some of those goals were attained in a scope wider than planned. In 2020, almost 19% of clothing collections were products labelled Eco Aware. In Reserved, every third item of clothing was made of eco-friendly materials or manufactured in a sustainable process.

Last year, we managed to eliminate in full plastics in packaging designated for dispatching online orders in Mohito and Reserved. In the remaining brands, we used recycled foil only. Consequently, in 12 months, the Group eliminated another 300 tonnes of single-use plastics. It means that the 2019 result was almost doubled, with a total reduction of as much as 570 tonnes of plastics in last 4 years.

In the financial year 2020/2021, the Company joined the Zero Discharge of Hazardous Chemicals, an initiative aimed at global limitation of the adverse impact of the clothing sector on the environment and at eliminating hazardous substances. The Company also joined the Polish Plastics Pact, an inter-segment cooperation platform for companies and organisations striving at changing the current model of using plastic raw materials on the Polish market towards a closed circuit economy

As part of social responsibility projects, having regard of increasing epidemic hazards and intensified difficulties in medical centres, the Company launched, through its Foundation, the #LPPpomaga aid scheme. The Foundation supported over 300 medical and non-medical centres throughout Poland, which received personal safety products and funds for purchasing medical equipment indispensable for saving patients' lives. Furthermore, we provided online learning equipment for children staying in orphanages.

The Supervisory Board of LPP SA acknowledges that the process of financial reporting for the financial year 2020/2021 was correct and raised no reservations.

In the period in question, the Supervisory Board focused, also through its Audit Committee and in cooperation with the audit company, on analysing and supervising the following specifically important areas of risk in the financial reporting process:

- impact of the epidemic circumstances on the Group's operations, including, in particular, the triple closure of on-site stores (in Poland, in the following periods: 16.03.2020 – 4.05.2020 – 45 days, 7.11.2020 – 27.11.2020 – 21 days and 28.12.2020 – 01.02.2021 – 35 days), increased importance of, and sales, in e-commerce, the level of cash as well as security deposits and collateral margins;
- outcomes of renegotiations of retail space lease agreements (specifically in shopping centres);
- volume and appraisal of stock;
- supplier financing scheme / reversed factoring;
- planned merger with Gothals Ltd (including in terms of the advance tax ruling covering tax consequences of the merger transaction, received by the Company);
- decrease in the value of shares in subsidiaries and fixed assets.

Having regard of its needs and characteristics, the LPP Group has implemented an adequate internal control system which provides for the following:

- i. complete revenue invoicing,
- ii. appropriate cost control,
- iii. efficient use of resources and assets,
- iv. accuracy and reliability of financial information included in financial statements and interim reports,
- v. adequate protection of sensitive information and prevention of uncontrolled outflow of information from the company,
- vi. effective and prompt identification of irregularities,

vii. identification of, and appropriate response to, major risks.

Elements of the internal control system in our Company include:

- i. control activities taken at all levels and in all departments of the Company, based on procedures (permits, authorisations, verification, reconciliation, review of operational activities, distribution of duties) ensuring compliance with guidelines of the Company's Management Board and, at the same time, enabling to take actions necessary to identify and minimise errors and threats for the Company,
- ii. Workflow Guide - proper records and documentation circulation control system (to ensure compliance of account records with accounting evidence),
- iii. duly qualified controlling personnel,
- iv. division of duties excluding the possibility that one employee performs activities associated with execution and documentation of a business transaction from the beginning to the end,
- v. inventory manual, specifying the rules for the use, storage and stock-taking of assets,
- vi. principles for balance sheet amortisation of intangible and tangible fixed assets,
- vii. IT system - the Company's accounting books have been kept using SAP systems ensuring credibility, reliability and accuracy of information processed. Access to SAP information resources is limited to authorised personnel, for performance of their duties only,
- viii. accounting policy recognising the principles of the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and related interpretations published in the form of implementing regulations of the European Commission,
- ix. electronic system for document processing (invoices, parts of employee documentation, commissioning of equipment purchases, payment orders, etc.).

In the process of preparing the Company's financial statements, both separate and consolidated, the auditing of financial statements by an independent statutory auditor, i.e. the external control, is an element supporting the system of internal control.

The statutory auditor is appointed by LPP's Supervisory Board. The tasks of the independent auditor include reviewing semi-annual financial statements and auditing annual financial statements, controlling their accuracy and compliance with accounting principles.

Three departments are responsible for preparing the financial statements i.e. CSC (the Common Services Centre), the Reporting Department and the Investor Relations Department headed, respectively, by the Chief Accountant, the Controlling Director and the Investor Relations Manager. Before submitting financial statements to the independent statutory auditor, the Chief Financial Officer, responsible for the financial reporting process on behalf of the Management Board, verifies them in terms of completeness and correctness of all economic events.

In LPP SA, the strategy and business plan performance are reviewed semi-annually. This is due to cycles occurring in the clothing trade. After closing a half of the year, senior and middle management staff, with the participation of the finance department, review the Company's financial results. The operating results of the Company, individual trading departments or even individual stores are analysed each month.

The internal audit of, and closely related risk management in, financial reporting processes are matters of daily interest for the Management Board of our Company. LPP SA analyses business risk factors related to the Company's operations. An important role in this respect is also played by management staff responsible for controlling the activities of their departments, including identification and assessment of risks associated with the process of preparing financial statements in an accurate, reliable and lawful manner.

The Supervisory Board examined the internal control, internal audit and risk management systems in LPP SA. As assessed by the Supervisory Board, the internal control and risk management systems operating in LPP SA meet relevant functional needs. While analysing those issues, the Supervisory Board reviewed the results of control procedures carried out by the Company's In-House Auditor and information provided by the Audit Committee and the key statutory auditor (team members of the audit company auditing and reviewing financial statements). The reports did not provide for any significant threats to the Company's operations.

Works of the In-House Audit Department are planned every year and involve mitigation of risks and their relevance. An audit plan is approved by a Board Member and is also provided to the Supervisory Board which controls the said Department and receives regular reports on audit tasks performed from an auditor. The In-House Audit Department operates in line with the procedure titled the "In-House Audit System". It encompasses descriptions of all major financial and operating processes and specifies risks involved, if any. In audit plans for another period, their relevance and impact on the organization are always taken into account. The In-House Audit Department carries out audits of departments located in the Company's head office and in foreign companies. On a case-by-case basis, an audit is completed with a relevant report submitted to the Board Member responsible for a given area. The Department in question monitors also the implementation of post-audit recommendations. In 2020/21, the In-House Audit Department carried out 15 audits completed with reports providing for relevant recommendation. In total, there were 15 in-house audits (10 foreign companies and 5 departments in the Company's head office).

The Supervisory Board examined financial audit procedures in LPP SA. As assessed by the Supervisory Board, the financial audit procedures carried out in LPP SA comply with legal requirements and meet relevant functional needs.

The Supervisory Board assessed the independence of the statutory auditor auditing the financial statements of the Company and the LPP SA Group. In the opinion of the Supervisory Board, the statutory auditor auditing the financial statements of the Company and the LPP SA Group satisfies the independence criteria described in applicable provisions of law, including, in particular, Articles 69-73 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision.

The Supervisory Board examined also the financial reporting process implemented in the Company in the reporting period from 1 February 2020 to 31 January 2021, making no reservations as to how the Company performed its duties in that respect."

“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May 2021
on the approval of the Supervisory Board’s report on its activity in the financial year
1.02.2020 - 31.01.2021

The Supervisory Board of LPP SA hereby approves the following wording of:

REPORT OF THE SUPERVISORY BOARD
ON ITS ACTIVITY IN THE FINANCIAL YEAR 1.02.2020 - 31.01.2021

From 1 February 2020 to 31 January 2021, the Supervisory Board was composed of the following persons:

- Jerzy Lubianiec - Chairman of the Supervisory Board,
- Wojciech Olejniczak – Vice-Chairman of the Supervisory Board,
- Magdalena Sekuła,
- Piotr Piechocki,
- Antoni Tymiński,
- Miłosz Wiśniewski.

Following resignation by Mr Jerzy Lubianiec from his position in the Supervisory Board, from 31 December 2020 to 31 January 2021, the Board was composed of five persons. As at 3 February 2021, i.e. after the balance sheet date, Mr Miłosz Wiśniewski was appointed Chairman of the Supervisory Board.

From 1 January 2019 to 30 December 2020, the Supervisory Board had one separate committee i.e. the Audit Committee composed of the following persons:

- Jerzy Lubianiec,
- Piotr Piechocki,
- Magdalena Sekuła (as independent member),
- Antoni Tymiński (as independent member),
- Miłosz Wiśniewski (as independent member).

Following resignation by Mr Jerzy Lubianiec from his position in the Supervisory Board, from 31 December 2020 to 31 January 2021, the Audit Committee was composed of four persons.

Mrs Magdalena Sekuła, Mr Antoni Tymiński and Mr Miłosz Wiśniewski met independence criteria set forth in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision, the “2016 Code of Best Practice for WSE Listed Companies” and appendix II to the

Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

Mr Piotr Piechocki, Member of the Supervisory Board and the Audit Committee, has knowledge and expertise in the business sector in which LPP SA operates. He used to work for LPP SA and, among others, managed the Company's e-commerce department).

Furthermore, two persons have knowledge and skills in the area of accounting and the auditing of financial statements – Mr Antoni Tymiński (a licensed statutory auditor entered on the list of the Polish Chamber of Statutory Auditors; he gained experience as partner at Pricewaterhouse Coopers and manager at Deloitte&Touche, responsible for auditing financial statements) and Mr Miłosz Wiśniewski (who has knowledge and skills gained while he was Finance Director at Cereal Partners Worldwide and Boryszew SA). In the financial year 1.02.2020 - 31.01.2021, the Audit Committee performed its duties set forth in the provisions of law, specifically in Article 130 paragraphs 1 and 2 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and on Public Supervision.

From 1 February 2020 to 31 January 2021, five meetings of the Supervisory Board were held, with all members being present.

In 2020/2021, the Audit Committee held five meetings with all members being present.

The Supervisory Board analysed the Company's day-to-day operations and position as well as examined motions submitted by the Management Board.

The Supervisory Board gives a positive opinion on its activity in the financial year from 1 February 2020 to 31 January 2021.

The Supervisory Board requests that the Annual General Meeting of Shareholders approve the Supervisory Board's report on its activity in the financial year from 1 February 2020 to 31 January 2021 and grant discharge to the following members of the Supervisory Board:

- Jerzy Lubianiec,
- Wojciech Olejniczak,
- Piotr Piechocki,
- Magdalena Sekuła,
- Antoni Tymiński,
- Miłosz Wiśniewski

for performing their duties as Supervisory Board members from 1 February 2020 to 31 January 2021.

The Supervisory Board has made a self-evaluation of its work. Following such evaluation, the Supervisory Board states that the Board has performed all duties set forth in the provisions of law and the Company's internal regulations. Additionally, at meetings held, the Board analysed the Company's position on an ongoing basis and supported the Management Board in day-to-day operations.

Therefore, the Supervisory Board gives a positive opinion on its activity in the financial year from 1 February 2020 to 31 January 2021.”

**“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May 2021**

**on the evaluation of fulfilment by the Company of reporting duties in respect of
application of corporate governance principles arising from good practices and the
provisions of law on current and interim information submitted by issuers of securities**

LPP SA is required to fulfil reporting duties in respect of application of corporate governance principles stemming from the Warsaw Stock Exchange Rules and the Regulation of the Minister of Finance of 29 March 2018 on current and interim information submitted by issuers of securities and on the terms and conditions for recognition as equivalent of information required under the laws of a non-member state (Journal of Laws no 757 of 2018) and the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC of 16 April 2014 (Official Journal of the European Union L, No 173, page 1) (“MAR”).

Current rules for providing current reports on the application of specific principles of corporate governance are defined in Resolution No. 1309/2015 of the Warsaw Stock Exchange Management Board, dated 17 December 2015. The WSE Rules stipulate that, when a specific principle of corporate governance is not applied on a permanent basis or is breached incidentally, the issuer is required to publish a report in that respect. The report should be published on the issuer’s official website, in a manner similar to that applied for current reports. Pursuant to Resolution No. 1309/2015 of the WSE Management Board, reports on the application of specific corporate governance principles are communicated through the Electronic Information Base (EIB).

The Supervisory Board assesses that LPP SA properly fulfils its reporting duties related to the application of corporate governance principles.

The Supervisory Board of LPP acknowledges that, as provided for in a relevant statement made by the Management Board, the Company applied corporate governance principles attached as Enclosure to Resolution No 26/1413/2015 of the Board of the Warsaw Stock Exchange, dated 13 October 2016, titled the “2016 Code of Best Practice for GPW Listed Companies” (Corporate Governance Principles), published in a website dedicated to good practice for companies listed on the stock exchange Giełda Papierów Wartościowych w Warszawie SA, operated by Giełda Papierów Wartościowych w Warszawie SA, at website address: https://www.gpw.pl/lad_korporacyjny_na_gpw, except for:

- Recommendation IV.R.2 – conducting of a general meeting using electronic communication means (real-life broadcast of the general meeting, real-time bilateral communication, exercise of the right to vote during a general meeting either in person or by proxy).

The Company does not apply the said recommendation.

The said recommendation is not applied by the Company as its implementation would involve technical risks. The giving to shareholders of an option to communicate in the course of the general meeting without being present at the meeting, using electronic communication means, involves both technical and legal hazards for the proper and efficient conduct of the general meeting. In particular, the above brings about a real risk of technical interference preventing continuous bilateral communication with shareholders present in venues other than the meeting room. Therefore, the Company is unable to guarantee the reliability of technical infrastructure.

At the same time, in the Company's opinion, the currently applicable rules for participation in general meetings facilitate the proper and effective exercise of rights attached to shares and sufficiently secure the interests of all shareholders.

Furthermore, the Company has not been informed of any expectations of shareholders in respect of conducting the General Meeting of Shareholders using electronic communication means.

- Detailed principle I.Z.1.20 – display on a corporate website of an audio or video recording of a general meeting.

The Company does not apply the said principle.

The Company does not plan to make an audio or video recording of a general meeting and display it on its website. In the Company's opinion, the manner in which general meetings have been documented so far ensures transparency of the Company's operations and safeguards the rights of all shareholders.

In particular, the Company makes available the wording of resolutions adopted, in the form of current reports and website publications.

Additionally, detailed data on voting results and objections, if any, raised against adopted resolutions are made available in the same form. Consequently, investors may obtain the knowledge of the material parts of, and matters discussed at, a general meeting.

Nonetheless, the Company does not exclude future application of the said principle.

- Detailed principle IV.Z.2. – companies should ensure publicly available real-time broadcasts of general meetings.

The Company does not apply the said principle.

The Company does not plan to provide real-time broadcasts of general meetings. In the Company's opinion, the manner in which general meetings have been documented so far ensures transparency of the Company's operations and safeguards the rights of all shareholders.

In particular, the Company makes available the wording of resolutions adopted, in the form of current reports and website publications.

Additionally, detailed data on voting results and objections, if any, raised against adopted resolutions are made available in the same form. Consequently, investors may obtain the knowledge of the material parts of, and matters discussed at, a general meeting.

Nonetheless, the Company does not exclude future application of the said principle.

- Detailed principle VI.Z.4. – publishing, in the report on the operations, of a report on the remuneration policy.

The Company does not apply the said principle.

The remuneration report of the Supervisory Board will be the subject matter of a resolution of the next Annual General Meeting of Shareholders of LPP SA. According to Article 90g of the Public Offering Act, the Company will publish the said report on its corporate website.

The Company does not apply corporate governance practices beyond the requirements set forth in the provisions of domestic laws.

Apart from the aforementioned exceptions, the Supervisory Board has ascertained no other violations of the “2016 Code of Best Practice for WSE Listed Companies”.

In addition to communication via the EIB system, LPP SA publishes on its website documents specified in section I.Z.1 in Polish and English.

The Supervisory Board reviewed the statement of the Management Board on corporate governance. The said statement specifies in detail corporate governance issues and provides required information. Furthermore, according to section I.Z.1.13 of the “2016 Code of Best Practice for WSE Listed Companies”, the Company publishes on its website information on the application of the principles and recommendations provided for in the said document. In addition to the rationale for non-compliance with the principles in question, the said information comprises comments to recommendations not applied by the Company.

The Supervisory Board assesses that the information provided by LPP SA is consistent with the requirements and presents fairly its compliance with corporate governance principles.”

“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May 2021
on the evaluation of the rationale for the charity and sponsorship policy followed by the
Company

The Supervisory Board of LPP SA positively assesses the charity and sponsorship policy followed by the Company in the financial year 1.02.2020 - 31.01.2021 in terms of its reasonableness and adequacy.

The LPP SA Group has defined its community goals in the Sustainable Development Strategy. Its part on charity projects was transferred for execution purposes to the LPP Foundation established in 2017. The goal of the LPP Foundation is to take actions to support both the society and the environment.

The Company has focused mainly on projects involving aid for persons at risk of social exclusion, mainly children and the youth, material aid and projects supporting the Company's closest neighbourhood. Last year, the charity projects of LPP and its Foundation were focused, to a major extent, on counteracting the effects of the pandemic.

As a result of growing challenges brought by the pandemic, the Group's charity projects were focused on supporting, first of all, health care centres. In total, in two openings of the #LPPpomaga project, the Group provided aid to 300 entities in need, the value of which amounted to PLN 6.9 mln. Aid was addressed to hospitals treating infectious diseases and specialist hospitals, located all around Poland well as social care centres, foundations and medical centres. As part of the project's first opening, we bought in total 1 mln protective masks. LPP's employees formed teams responsible for coordinating their dispatches to hospitals and distributing protective masks to institutions in need. Over a hundred volunteers sew, after working hours, protective masks and aprons. They succeeded to provide 27.2 thousand reusable masks and almost 1.7 thousand aprons. Reserved, Mohito and Cropp also joined the #LPPpomaga project, donating 10% of inflows from Joyful and Eco Aware collections to medical centres. Funds collected were received by 5 hospitals in Gdańsk, Gdynia and Cracow and were allocated for purchasing lacking personal protection equipment (overalls, aprons, masks and disinfectants) and equipment such as exhaust air decontamination system, chest compression devices, a cardio-monitor and defibrillator. Furthermore, we designed and produced 10 thousand reusable masks for students, doctoral students and employees of the Gdańsk Medical University.

During the pandemic, LPP has also supported children living in children's care homes, having difficult access to computers during the time of remote learning launched in March 2020. In total, we provided 100 computers for approx. 150 children in 18 facilities in the Pomerania region and in Cracow.

In this difficult time, the Group also helped senior people from the Lower City (*Dolne Miasto*), a Gdańsk district, who received 870 dinner meals prepared by local restaurant owners and delivered also by our employees.

During the first pandemic wave, the Group actively participated in projects executed jointly with other entities and organisations.

- We supported the Industry Development Agency (*Agencja Rozwoju Przemysłu*) in providing 1 million medical overalls from Turkey, thus substantially reducing order costs.
- We acted as coordinator of the *pro bono* project “Polish Sewing Plants”, managing the works of 18 sewing plants which provided, in total, 4 million masks.
- We took part in the project named “We Are Together. We Help!” aimed at, among others, mobilising entrepreneurs to support aid projects to help medical services throughout Poland.
- We supported Polish government in purchasing personal protection equipment for medical services.

As part of the second opening of the #LPPpomaga project, we provided protective clothing for medical staff and funds required for purchasing indispensable equipment. In total, taking part in this initiative, the Company designated over PLN 1.2 mln to support medical services. Those funds were appropriated for purchasing personal protection equipment, pulse oximeters, infusion pumps, helmets for non-invasive ventilation, high-flow therapy equipment and a respirator.

Although, in 2020, the Group’s charity activities were dominated by initiatives supporting, first of all, the fight against the effects of the COVID-19 pandemic, the LPP Foundation did not suspend activities being an integral part of its statutory charity operations i.e. counteracting social exclusion, healthcare and employee volunteering projects.

As part of those activities, on 2020/2021, the LPP Foundation made donations to different organisations for, among others, the following purposes:

- it donated funds for purchasing the Children’s Day gifts for young beneficiaries of by the MATIO Foundation;
- it provided financial aid to children’s care homes for purchasing indispensable equipment and carrying out required renovation works;
- it financed equipment for dining and leisure rooms in an innovative centre for intellectually disabled adults, operated by the “Our Friendly Home” Foundation in Sopot. In the said facility, such adult persons receive both care and employment.
- it provided funds for the renovation of the daily care centre SPOT Youth Point in Gdynia; LPP’s female designers prepared a graffiti project for that facility to be displayed on a wall jointly with young people helped by that centre;
- it donated funds for additional equipment for, and renovation of, the “FAScynacje” Foundation supporting persons affected by the fetal alcohol syndrome (FAS) and the *fetal alcohol spectrum disorder* (FASD).
- it provided additional financing for a warming centre for the homeless, operated by the St. Brother Albert Aid Society in Tczew;

- it appropriated PLN 95 thousand for holiday trips organised for almost 200 person supported by 5 organisations providing care for children threatened with social exclusion, located in Tricity and Cracow, as well as for healthy siblings of children staying in a hospice;
- it provided financial aid for “Albertiana” Stage and Music Art Festival for the Disabled and funded 3 scholarships for the Found Hope Academy;
- it designated 50% of income from the sale of dedicated House t-shirts to the ATALAYA Foundation as part of House Denim Days AW2020. The said funds were allocated for helping young people staying in childcare centres to start their adult life by taking part in self-confidence workshops and educational courses.
- it donated funds for the Christmas Eve Supper for the homeless and the poor, organized by the Dominican monastery in Gdańsk.

Due to the COVID-19 pandemic, the majority of our financial aid were appropriated by the Foundation for healthcare purposes. Apart from aid provided in two openings of the above-mentioned #LPPpomaga project, the Foundation provided funds for the “Good Energy for Medical Rescuers” project. On one hand, we supported several dozens of medical rescue teams in the Pomerania region by providing them with 1,000 energy snacks for ambulance staff. On the other hand, those sets had been prepared by the team working in the socially responsible SoStay hotel in Gdańsk and, therefore, in the time of hardships faced by the gastronomy sector, they had been given work/assignment i.e. funds to be paid to their employees – adult persons who had lived in children’s care homes. Furthermore:

- the Hospice Foundation was supported with funds for purchasing required equipment and materials,
- the Pomerania for Children Hospice received funds for conducting consultations in the After-Loss Support Centre EMOCja.
- we supported the organisation of a virtual charity run High Five from the Heart.
- we made donations for 16 ill employees and their closest relatives.

Despite the pandemic, the Foundation tried to help, even to small extent, animals. The Foundation supported 4 centres and organised, for the third time already, an Autumn voluntary project “Cat Shelters” for the Pomeranian Temporary Cat Care Centre and the KOTANGENS Foundation.

The Foundation continued to be engaged in initiatives organised in the surroundings of our head office in the Lower City and the Distribution Centre being developed in Brześć Kujawski.

The value of aid provided by LPP and the LPP Foundation in the financial year 2020/21 reached PLN 6.9 mln as part of #LPPpomaga project only. 115 volunteers from the LPP SA Group were engaged. In other projects, the value of support was approx. PLN 2.2 mln. Those in need received 105,000 items of clothing.

In conclusion, the Supervisory Board positively assesses the above-mentioned activities in terms of the rationale criterion.”

“RESOLUTION

of the Supervisory Board of LPP SA

of 25 May 2021

on the examination of the Management Board's motion for covering the Company's loss for the financial year 01.02.2020-31.01.2021 and division between shareholders of the amount transferred from the supplementary capital created from previous years' profit

Having reviewed the Management Board's motion for covering the Company's loss and division between shareholders of the amount transferred from the supplementary capital created from previous years' profit, the Supervisory Board recommends that the Annual General Meeting of LPP SA adopt the resolution on:

- coverage of a loss for the financial year 1.02.2020 – 31.01.2021 from profit to be generated in subsequent financial year;
- transfer PLN 833,590,350 from the supplementary capital created from previous years' profit and allocating it for distribution among shareholders as dividend of PLN 450 per share;
- setting the dividend date for 6 July 2021;
- payment of the dividend in two equal instalments (PLN 225 per share) on 20 July 2021 and 6 October 2021.

Payment of the dividend in two instalments is justified in terms of maintaining financial safety and the Company's day-to-day liquidity in case of reimplementation of restrictions, if any, relating to the COVID-19 pandemic.”

“RESOLUTION

of the Supervisory Board of LPP SA

of 25 May 2021

on the adoption of the Report on Remunerations of Members of the Management and Supervisory Board for 2019/2020

Under Article 90g of the Act of 29 July 2005 on Public Offering and the Terms and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies (consolidated text: Journal of Laws of 2020, item 2080, as amended) in connection with Article 36 paragraph 2 of the Act of 16 October 2019 on the Amendment of the Act on Public Offering and the Terms and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies and Specific Other Acts (Journal of Laws of 2019, item 2217, as amended), the Supervisory Board of LPP SA approves

the “Report of the Supervisory Board on Remunerations of Members of the Management and Supervisory Board for 2019/2020” in its wording attached as Enclosure to this Resolution.”

“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May 2021
on its recommendation for discharging Members of the Company’s Management Board
for performing their duties

The Supervisory Board recommends that the Annual General Meeting should discharge all Members of the Company’s Management Board, remaining in office in the financial year from 1 February 2020 to 31 January 2021, i.e. Mr Marek Piechocki, Mr Jacek Kujawa, Mr Przemysław Lutkiewicz and Mr Sławomir Łoboda, for performing their duties in the said period.”

“RESOLUTION
of the Supervisory Board of LPP SA
of 31 May 2021
on the adoption of the incentive scheme for Members of the Company’s Management
Board and the Rules for the said scheme

The Supervisory Board adopts the Incentive Scheme for Members of the Company’s Management Board for financial years 2021/2022, 2022/2023 and 2023/2024 (“**Incentive Scheme**”).

The detailed terms and conditions of the Incentive Scheme for Members of the Company’s Management Board are set forth in the rules of the Incentive Scheme for financial years 2021/2022, 2022/2023 and 2023/2024, enclosed hereto (“**Rules**”).

Both the Incentive Scheme and the Rules shall enter into force upon their approval by the General Meeting.

Enclosure:

Rules of the Incentive Scheme for Members of the Company’s Management Board for financial years 2021/2022, 2022/2023 and 2023/2024

**RULES OF THE INCENTIVE SCHEME
FOR THE MANAGEMENT BOARD OF LPP SA
("Company")
FOR FINANCIAL YEARS 2021/2022, 2022/2023 AND 2023/2024**

§ 1

1. These Rules determine the terms and conditions for remuneration of Eligible Persons by the Company under the Incentive Scheme and, in particular, specify the purpose of the Scheme, Eligible Persons as well as the principles of, and a mechanism for, remunerating them.
2. The Incentive Scheme is aimed at creating an additional remuneration system and additional mechanisms motivating its Participants to increase their engagement and effectiveness of their work for the Company, which should ensure maintenance of a high professional level of the Company's management as well as a stable growth of both financial results generated by the Company and the value of the Company's shares.
3. The Incentive Scheme has been created and is being implemented in the Company under the Resolution to which it is enclosed.
4. In the financial years 2021, 2022 and 2023, the Incentive Scheme shall be implemented independently i.e. key performance indicators (KPI) for individual financial years, their levels and the number of Shares to be subscribed to under the Incentive Scheme shall be determined by the Supervisory Board independently for each financial year in Incentive Scheme Participation Agreements concluded separately for each financial year covered by the Incentive Scheme.

§ 2

In these Rules, capitalised terms and phrases shall have the following meaning:

- a) **Shares** – ordinary bearer shares newly issued by the Company, to be subscribed to by Eligible Persons, under a resolution or resolutions of the Management Board on the increase of the share capital, within the limits of the Company's authorised share capital referred to in § 5(5) of the Company's Articles of Association, with a view to executing the Incentive Scheme;
- b) **Issue Price** – the issue price per Share shall be equal to its nominal value and amount to PLN 2 (two Polish zlotys);
- c) **Scheme Settlement Date** – the date (separate for each financial year covered by the Incentive Scheme), on which the Supervisory Board shall: (i) evaluate the fulfilment by the Participant of the Incentive Scheme of the prerequisite set forth in § 3(3)(a) of these Rules; and (ii) specify the number of Shares to be subscribed to by each Eligible Person;
- d) **KPI** – key performance indicators;
- e) **CCC** – the Commercial Companies Code of 15 September 2000;
- f) **Eligible Person** – the Participant of the Incentive Scheme who has fulfilled all the prerequisites required to subscribe to Shares under the Incentive Scheme, as provided for in §

3 of these Rules and the Incentive Scheme Participation Agreement concluded by the Participants separately for each financial year covered by the Incentive Scheme;

- g) **Incentive Scheme** – the incentive scheme for the Management Board for the financial year 2021/2022 (the Company's financial year from 1 February 2021 to 31 January 2022), the financial year 2022/2023 (the Company's financial year from 1 February 2022 to 31 January 2023) and the financial year 2023/2024 (the Company's financial year from 1 February 2023 to 31 January 2024), created and implemented in the Company under the Resolution and in line with these Rules;
- h) **Supervisory Board** – the Company's Supervisory Board;
- i) **Rules** – these Rules;
- j) **Consolidated Annual Report** – respectively, the consolidated annual report for the following financial years of the Company: (i) financial year 2021/2022 (the Company's financial year from 1 February 2021 to 31 January 2022), (ii) financial year 2022/2023 (the Company's financial year from 1 February 2022 to 31 January 2023); and (iii) financial year 2023/2024 (the Company's financial year from 1 February 2023 to 31 January 2024), withing the meaning of § 71 of the Regulation or the provisions of law to substitute the same;
- k) **Company** – the company operating under business name LPP spółka akcyjna with its registered office in Gdańsk, at ul. Łąkowa 39/44, 81-769 Gdańsk, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for Gdańsk-Północ in Gdańsk, 7th Economic Division of the National Court Register, under number KRS 0000000778;
- l) **Party** – the Participant of the Incentive Scheme or the Company;
- m) **Parties** – the Participant of the Incentive Scheme and the Company;
- n) **Regulation** – the Regulation of the Minister of Finance, dated 29 March 2018, on current and interim information disclosed by issuers of securities and on conditions for recognising information required by the laws of a country other than a member state as equivalent (Journal of Laws of 2018, item 757);
- o) **Resolution** – jointly, the resolution of the Company's Supervisory Board of 31 May 2021 on the adoption of the Incentive Scheme for Members of the Company's Management Board and resolutions of the Annual General Meeting, passed at the Annual General Meeting of the Company for the financial year 2020/2021, on adopting the Incentive Scheme and authorising the Management Board to increase the Company's share capital within the limits of the authorised capital, including the option of depriving the Company's current shareholders, in full, of the pre-emption right with a view to executing the Incentive Scheme;
- p) **Participant of the Incentive Scheme** – member of the Management Board, who has concluded the Incentive Scheme Participation Agreement with the Company for a specific financial year of the Company, covered by the Incentive Scheme;
- q) **Share Subscription Agreement** – the agreement concluded between the Company and the Eligible Person (separately for each financial year covered by the Incentive Scheme), under which the Eligible Person shall subscribe to a specific number of Shares under the Incentive

Scheme in exchange for a specified cash contribution to be made to the Company (a specimen agreement shall be prepared by the Management Board and approved by the Supervisory Board by resolution);

- r) **Incentive Scheme Participation Agreement** – the agreement concluded between the Company and the Participant of the Incentive Scheme (separately for each financial year covered by the Incentive Scheme), confirming his participation in the Incentive Scheme in a given financial year covered by the Incentive Scheme, under which the Company shall undertake to offer to the Participant Shares to be subscribed to on the terms and conditions specified in detail in the Incentive Scheme subject to fulfilment of all the prerequisites set forth in these Rules and in a given Incentive Scheme Participation Agreement (the specimen of which shall be approved by the Supervisory Board by resolution);
- s) **General Meeting** – Annual or Extraordinary General Meeting of the Company;
- t) **Management Board** – the Company’s Management Board.

§ 3

1. Under the Incentive Scheme, the Company shall issue no more than 5,454 (five thousand four hundred and fifty four) Shares and allocate them for subscription by Eligible Persons on preferential terms specified in detail in these Rules, the Incentive Scheme Participation Agreement and the Share Subscription Agreement.
2. The number of Shares which may potentially be subscribed to by a given Eligible Person depending on the levels of KPI performance shall be determined in the Incentive Scheme Participation Agreement provided that the said number may not exceed:
 - 1) in the financial year 2021/2022: 522 Shares for the President of the Management Board and 324 for each Vice-President of the Board;
 - 2) in the financial year 2022/2023: as provided for in the resolution of Supervisory Board, yet no more than as stipulated in point 1); and
 - 3) in the financial year 2023/2024: as provided for in the resolution of Supervisory Board, yet no more than as stipulated in point 1).
3. The Participant of the Incentive Scheme may become Eligible Person upon joint fulfilment of the following prerequisites:
 - a. attainment by a given Participant of the Incentive Scheme, in a given financial year of the Company, covered by the Incentive Scheme, of KPI set forth by the Supervisory Board in the Incentive Scheme Participation Agreement for the said financial year;
 - b. being member of the Management Board at least from the date of conclusion of the Incentive Scheme Participation Agreement for a given financial year of the Company, covered by the Incentive Scheme, to the date of conclusion of the Share Subscription Agreement in performance of the rights to subscribe to Shares in connection with attainment of goals for the financial year in question.
4. At the Scheme Settlement Date, the Supervisory Board shall, by resolution:

- a. acknowledge fulfilment, and the level of fulfilment, by the Participant of the Incentive Scheme of the terms and conditions referred to in §3(3) of these Rules for the financial year covered by the Incentive Scheme;
 - b. specify the number of Shares to be subscribed to by a given Eligible Person under the Incentive Scheme Participation Agreement concluded for a given financial year of the Company, covered by the Incentive Scheme, and determine the level of performance of KPI for the financial year in question.
5. The Scheme Settlement Date regarding a given financial year covered by the Incentive Scheme should fall within 3 months from the date of publishing by the Company of the Consolidated Annual Report for such financial year in accordance with the provisions of law.
 6. The Eligible Person may waive, at any time, the right to subscribe to Shares under the Incentive Scheme and conclude the Share Subscription Agreement. Shares to be subscribed to by such Eligible Person shall not be subscribed to by any other Eligible Person(s).

§ 4

1. The Company shall issue Shares as part of a single or several increases of the Company's share capital, at the Issue Price per Share.
2. Shares shall not be preference shares and shall be attached with no personal rights or involve no duties towards the Company.
3. The Eligible Person shall have the right to subscribe to Shares offered by the Company at the Issue Price per share regardless of their current market value.
4. The Eligible Person may subscribe to Shares solely in exchange for a cash contribution to be made to the Company on the terms and conditions specified in detail in the Share Subscription Agreement.

§ 5

1. Within 14 (fourteen) days from the adoption by the Supervisory Board of the resolution(s) referred to in § 3(4) of these Rules, the Company shall make an offer to subscribe to Shares, in a number stemming from the resolution in question, to each Eligible Person.
2. The Eligible Person shall subscribe to Shares following the procedure of private subscription within the meaning of Article 431 § 2(1) of the CCC by way of concluding the Share Subscription Agreement, at a date and venue specified by the Company in the Share subscription offer.
3. The Eligible Person who has concluded the Share Subscription Agreement shall be required make a cash contribution to the Company, in an amount equal to the product of Shares subscribed to and the Issue Price, by a wire transfer made to the Company's bank account, within a timeframe set forth in the Share Subscription Agreement.
4. The Eligible Person who has concluded the Share Subscription Agreement and effectively subscribed to Shares under the Incentive Scheme shall be required not to transfer Shares, following the terms and conditions set forth in detail in the Share Subscription Agreement, within 24 (twenty four) months from the date of conclusion of a given Share Subscription Agreement, with the said period being calculated separately for Shares subscribed to under the Incentive

Scheme in individual financial years in question. A relevant share blocking order relating to the said obligation shall be filed with a brokerage house.

§ 6

1. Any and all disputes arising from, or relating to, the execution of the Incentive Scheme shall be settled by the Parties amicably. Should the Parties fail to resolve a dispute within 1 (one) month, such dispute shall be referred by the Parties for resolution to a common court having local jurisdiction, under general rules.
2. None of Parties may assign rights or duties arising from the Incentive Scheme to any third party.
3. These Rules shall enter into force upon adoption of the Resolution and remain in force by 31 December 2024.”

The Chairman of the Supervisory Board put the following resolution to a vote.

**“RESOLUTION
of the Supervisory Board of LPP SA
of 25 May 2021
on the granting of an opinion on issues to be discussed at the Annual General Meeting**

**« Opinion of the Supervisory Board
on issues to be discussed at the Annual General Meeting**

Under § 33 paragraph 2 of the Company's Articles of Association and in consideration of principle II.Z.11. of the “2016 Code of Best Practice for GPW Listed Companies”, hereby gives its opinion on issues to be discussed at the 2021 Annual General Meeting of the Company.

The Supervisory Board acknowledges that the agenda of the Annual General Meeting of LPP SA, planned for 29 June 2021, proposed by the Management Board, is consistent with the provisions of the Commercial Companies Code, the Company's Articles of Association and its internal regulations. Therefore, as regards specific items put on the agenda proposed in the notice of convening the Annual General Meeting, the Supervisory Board acknowledges that:

1. Item 1 to 3 on the agenda are exclusively procedural and necessary for the proper organisation of the General Meeting.
2. Item 4 on the agenda stems from the duties arising from the Company's internal rules and regulations, including, in particular, the Regulations of the General Meeting and the Regulations of the Supervisory Board as well as corporate governance principles applied by the Company. The Supervisory Board has already adopted the resolutions specified in this item of the agenda.
3. Item 5 on the agenda stems from the duty stipulated, among others, in Article 393(1) of the CCC, Article 395 § 2(1) of the CCC, Article 395 § 5 of the CCC, Article 49(1) and Article 55(2) in connection with Article 55(2a-2c) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended), § 33.1.1 of the Company's Articles of Association and § 2.2.1 of the Regulations of the General Meeting of the Shareholders. The

Management Board's report on the operations of the LPP SA Group for 2020/2021 comprises also the report of the Management Board on the operations of the Company (as parent company). The pooling of reports is permissible under Article 55(2a) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended) and § 71(8) of the Regulation of the Minister of Finance of 29 March 2018 on current and interim information delivered by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws of 2018, no 757). The Supervisory Board has given a positive opinion on the said report.

4. Item 6 stems from § 33.1.1 of the Company's Articles of Association and principle II.Z.10.2 of the 2016 Code of Best Practice for WSE Listed Companies.
5. Item 7 on the agenda stems from the duty stipulated, among others, in Article 393(1) of the CCC, Article 395 § 2(1) of the CCC and Article 53(1) of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2021, item 217, as amended), § 33.1.1 of the Company's Articles of Association and § 2.2.1 of the Regulations of the General Meeting of Shareholders. Supervisory Board has given a positive opinion on the said report.
6. Item 8 on the agenda stems from the generally applicable provisions of Article 395 § 5 of the CCC and Article 63c(4) of the Accounting Act (consolidated text: Journal of Laws of 2021, item 217, as amended). Supervisory Board has given a positive opinion on the said report.
7. Item 9 on the agenda stems from the duty stipulated, among others, in Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association. Supervisory Board has positively assessed performance of duties by Members of the Company's Management Board in the last financial year.
8. Item 10 on the agenda stems from the duty stipulated, among others, in Article 393 § 1(1) of the CCC, Article 395 § 2(3) of the CCC and § 33.1.4 of the Company's Articles of Association.
9. Item 11 on the agenda stems from the duty stipulated, among others, in Article 395 § 2(2) of the CCC, Article 53 § 3 of the Accounting Act and § 33.1.3 of the Company's Articles of Association. The Supervisory Board has positively assessed the motion of the Management Board for covering a loss and distributing among shareholders the amount transferred from the supplementary capital created from previous years' profit.
10. Item 12 on the agenda results from the fact that Mr Antoni Tymiński, Member of the Supervisory Board, made a statement on resigning from his position in the Board. Consequently, it is required to elect a member of the Supervisory Board as, following his resignation, the composition of the Supervisory Board would be decreased below the minimum statutory level. According to § 17(3) of the Articles of Association of LPP SA and Article 385 § 1 of the CCC, the election of members of the Supervisory Board falls within the scope of competence of the General Meeting.
11. Item 13 on the agenda results from the information on the intended submission by a shareholder of the motion for appointment of an additional member of the Management Board. According to § 13(1) of the Articles of Association of LPP SA, the election of members of the Management Board falls within the scope of competence of the General Meeting.
12. Item 14 on the agenda involves the issuance by the General Meeting of the opinion on the Report of the Supervisory Board on Remunerations of Members of LPP's Management and

Supervisory Bodies. Under Article 90g(6) of the Act of 29 July 2005 on Public Offering, Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies (consolidated text: Journal of Laws of 2020, item 2080, as amended), the General Meeting gives its opinion on the said Report. The Report was adopted by the Supervisory Board by resolution of 25 May 2021.

13. Item 15 on the agenda stems from the motion of the Management Board to introduce, in the Company's Articles of Association, the option of making advance payments on account of a dividend. Pursuant to Article 349 § 1 of the CCC, in order for the Management Board to be authorised to pay advances to shareholders on account of a dividend, the Articles of Association must provide for such authorisation. Under Article 349 § 1 of the CCC, an advance payment requires approval of the Company's Supervisory Board. Introduction of the above option is to make the Company's financial policy more flexible. It is also used by other leading world companies in the industry in which the Company operates. The Supervisory Board gives a positive opinion on the said motion.
14. Items 16 and 17 on the agenda stem from the adoption by the Supervisory Board, following a motion of the Management Board, by resolution of 25 May 2021, of the Rules for the Incentive Scheme for key management officers of LPP SA for the financial year 2021/2022. The Scheme provides for the issuance to eligible persons of the Company's shares issued under the authorisation of the Management Board to increase the share capital within the limits of the authorised capital, subject to the achievement of appropriate financial ratios as provided for in individual agreements with the eligible persons. The Supervisory Board recommends adoption of the resolution approving the proposed Incentive Scheme and the Rules of the said Scheme. The implementation of the Scheme will require that the existing shareholders be deprived of their rights to subscribe to shares. However, the deprivation of the said rights is intended to motivate the participants of the Incentive Scheme to increase their commitment and work performance for the Company's benefit. As a result, it should ensure further increase in the involvement and work performance of the Scheme Participants, maintenance of a high level of professional management of the Company, as well as a systematic growth in the financial results generated by the Company and a stable increase in the value of the Company's shares. Pursuant to Article 444 § 1 of the CCC, an increase in the share capital within the limits of the authorised capital requires authorisation granted to the Management Board in the Articles of Association. Under Article 430 § 1 of the CCC and § 33.1.6 of the Articles of Association of LPP SA, an amendment to the Articles of Association requires a resolution of the General Meeting. In addition, the waiver of the shareholders right given above also requires a resolution of the General Meeting (Article 447 § 2 in connection with Article 433 § 2 of CCC).
15. Item 18 on the agenda concerns changing the remuneration of the Chairman of the Supervisory Board. According to Article 392 § 1 of the CCC, the General Meeting of Shareholders is competent to determine remunerations of members of the Supervisory Board. Thus far, remunerations of members of the Supervisory Board have been determined by Resolution no 7 of the Extraordinary General Meeting of 20 October 2017 and Resolution no 22 of the Annual General Meeting of 18 September 2020 (reducing the remuneration of the Chairman of the Supervisory Board). The Supervisory Board applies for changing the remuneration of the Chairman of the Supervisory Board as proposed in the draft resolution.
16. Item 19 on the agenda is of procedural nature. »”